

EXHIBIT D

Milbank

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September 29, 2020

VIA EMAIL

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Re: September 29, 2020 Meet and Confer: Commonwealth Assets & Cash Rule 2004 Requests

Counsel:

I write on behalf of Ambac Assurance Corporation ("Ambac") to memorialize and follow-up on our telephonic meet-and-confer on September 29, 2020 (the "September 29 Meet and Confer") concerning *Ambac Assurance Corporation's Motion for Entry of an Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning Commonwealth Assets* [ECF No. 9022] (the "Assets Rule 2004 Motion") and *Ambac Assurance Corporation's Motion for Entry of an Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning Commonwealth Cash Restriction Analysis* [ECF No. 9023] (the "Cash Rule 2004 Motion") and, collectively with the Assets Rule 2004 Motion, the "Rule 2004 Motions").

During the September 29 Meet and Confer, the Parties¹ discussed the items outstanding from the telephonic meet-and-confer held on September 18, 2020 (the "September 18 Meet and Confer") and follow-up items identified in Ambac's letter to the Government² dated September 22, 2020 (the "September 22 Letter") and the Board's letter to Ambac dated September 29, 2020 (the "September 29 Letter"). Each item of discussion is addressed below.

¹ Ambac and the Government are collectively referred to as the "Parties." Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the *Joint Status Report of Movant Ambac Assurance Corporation and Respondents the Financial Oversight and Management Board for Puerto Rico, as Representative of the Commonwealth of Puerto Rico, and the Puerto Rico Fiscal Agency and Financial Advisory Authority with Respect to the Rule 2004 Motions* [ECF No. 14150].

² AAFAF and the Board are referred to collectively as the "Government."

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Assets Rule 2004 Motion

During the September 29 Meet and Confer, AAFAF advised that its investigations into all outstanding issues related to Ambac's Prioritized Assets Requests remain ongoing and that it expects to provide Ambac an update in writing this week. Ambac looks forward to receiving AAFAF's forthcoming written correspondence and will not address issues currently outstanding here, except the following issues that the Parties discussed:

(1) Category No. 1: Assets (current and transferred/encumbered)

- *Documents sufficient to show, from January 1, 2015 to the present, the alienation or encumbrance of any assets held by the Commonwealth or its instrumentalities.*
- *A list of the Commonwealth's current assets.*

Prioritized Commonwealth Assets. During the September 29 Meet and Confer, AAFAF advised that it will make a small production this week of additional documents related to the prioritized Commonwealth assets identified by Ambac.

Ad Valorem Taxes / Tax Arrears. During the September 29 Meet and Confer, AAFAF informed Ambac that it has confirmed with the Municipal Revenue Collection Center ("CRIM") that no pre-existing documents containing property- and owner-specific tax information exist. AAFAF further advised that it is continuing to work with CRIM to determine whether any documents potentially relevant to Ambac's request for property- and owner-specific tax information are available, and that AAFAF hopes to make progress on this investigation in the coming weeks.

Cash Rule 2004 Motion

(1) Category Nos. 1 and 2: Presentation and Investigation Documents

- *All documents relied upon in connection with the 'Summary of Cash Restriction Analysis' presentation, dated October 2, 2019 and the 'Bank Account Analysis: Status Update – June 30, 2019 Balances' presentation, dated as of October 2, 2019, including documents sufficient to identify the processes and assumptions underlying the Cash Restriction Analysis and any iterative changes in the analysis over time.*
- *All documents relied upon in connection with Duff & Phelps' and/or Ernst & Young's investigation into the cash at government and fiscal plan entities, certain other Title III debtors, and UPR, including but not limited to instructions provided to Duff & Phelps and/or Ernst & Young regarding categorization and restrictions.*

Process Documents. During the September 29 Meet and Confer, the Parties agreed that they have reached an impasse with respect to Ambac's request for non-communication process documents. With regard to Ambac's request for communication process documents, the Board advised in its September 29 Letter that it is working with its client and its client's advisors to provide Ambac with certain information related to those documents and would provide an update

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in writing when possible. In response to Ambac's inquiry as to when the Board expects to be able to provide an update, the Board advised that it was unable to commit to a specific timeframe at this time.

Engagement Letters. During the September 29 Meet and Confer, the Board confirmed that it has completed its production of engagement letters related to its retention of advisors involved in the Duff & Phelps report and October 2 presentations.

Privilege Log. The Board confirmed in its September 29 Letter that it remains on track to produce a document-by-document privilege log of documents withheld from its production of factual source materials and raw data underlying the Duff & Phelps report and the October 2 presentations by the end of September. During the September 29 Meet and Confer, the Board advised that it is unwilling to include any withheld process documents in its privilege log.

Inventory of Central Government's Bank Accounts. During the September 29 Meet and Confer, AAFAF and the Board advised that they continue to investigate whether the "Inventory of Central Government's Bank Accounts" referenced in the Amended Disclosure Statement³ is in its possession.

(2) Category No. 3: Commonwealth's Necessary Operating Expenses

- *All documents related to the assessment of the Commonwealth's necessary operating expenses, including any analyses of whether unrestricted cash exceeds necessary operating expenses.*

Interrogatories. In response to Ambac's previous inquiry as to whether the Board withheld any information from its interrogatory responses based on its objections, the Board advised in its September 29 Letter that the Government has not endeavored to collect or identify documents or analyses used in the development of the certified Commonwealth budgets or fiscal plans. During the September 29 Meet and Confer, in response to an inquiry from Ambac, the Board clarified that it has not specifically undertaken the burden of determining whether any materials related to the Commonwealth budgets or fiscal plans might qualify as responsive to the Interrogatories, but that the Board has not withheld information regarding any specific materials or analysis that it knows to be responsive to Ambac's Interrogatories.

³ "Amended Disclosure Statement" refers to *Disclosure Statement for the Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [ECF No. 11947].

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Very truly yours,

/s/ John J. Hughes, III

John J. Hughes, III

cc: Grant Mainland
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